class action remains pending in Alberta, Canada: *Alcantara v. Wyeth, et al.,* No. 0601-00926, Court of Queens Bench of Alberta, Judicial District of Calgary, Canada. Finally, a putative province-wide class action, *Stanway v. Wyeth, et al.,* No. S87256, Supreme Court, British Columbia, Canada, remains pending. Both Canadian actions remain dormant, with no class certification hearing dates scheduled.

On March 22, 2006, the New York Supreme Court, Onondaga County, granted summary judgment in favor of the Company, dismissing the claims in *Browning, et al. v. Wyeth, Inc., et al*., No. 2003-0261, on the grounds, among other things, that the labeling and warnings for *Prempro* and *Premarin* were adequate as a matter of law. On March 16, 2007, the Appellate Division, Fourth Department, of the New York Supreme Court unanimously affirmed the summary judgment and dismissal.

On September 15, 2006, a jury in the United States District Court for the Eastern District of Arkansas returned a verdict in favor of the Company in the case of *Reeves, et al. v. Wyeth*, No. 4:05CV00163 WRW. Plaintiffs have not appealed.

On October 4, 2006, a jury in the Pennsylvania Court of Common Pleas, Philadelphia County, hearing the case of *Nelson, et al. v. Wyeth, et al*., No. 2004-01-001670, returned a verdict in favor of the plaintiff following the first phase of a bifurcated trial. The jury found that plaintiff had developed breast cancer as a result of her use of *Prempro* and set the amount of compensatory damages for plaintiff and her co-plaintiff husband at $1.5 million. Prior to the start of the second liability phase of the trial, a mistrial was declared by the court and the first phase verdict was set aside. On February 20, 2007, a jury in the same court hearing the retrial of the *Nelson* case awarded the plaintiffs $3.0 million in compensatory damages. The court had earlier granted the Company's motion to strike plaintiffs' punitive damages claim as unsupported by the evidence. On May 30, 2007, the court granted the Company's motion for judgment notwithstanding the verdict, dismissing the *Nelson* case. Plaintiffs are appealing the court's decisions to the Pennsylvania Superior Court.

On January 29, 2007, a jury in the Pennsylvania Court of Common Pleas, Philadelphia County, hearing the case of *Daniel, et al. v. Wyeth Pharmaceuticals, Inc., et al*., No. 2004-06-002368, returned a verdict in favor of the plaintiffs, finding that plaintiff had developed breast cancer as a result of her use of *Prempro* and awarding a total of $1.5 million in compensatory damages. Although the *Daniel* jury also found that the Company's conduct warranted the imposition of punitive damages, the court subsequently entered judgment notwithstanding the verdict in favor of the Company on the punitive damages claim, finding that the evidence did not support punitive damages. Judgment was entered on behalf of the plaintiffs on the compensatory award. On August 24, 2007, the court vacated the compensatory damage judgment against the Company and ordered a new trial on the ground that plaintiffs had knowingly introduced at trial the deposition testimony of one of their experts that the expert had recanted prior to trial. Plaintiffs are appealing the vacatur of the judgment and the order for a new trial, as well as the judgment in the Company's favor on the punitive damages claim, to the Pennsylvania Superior Court.

On January 31, 2007, the 151st District Court of Harris County, Texas, granted summary judgment in favor of the Company, dismissing the claims in *Brockert, et al. v. Wyeth Pharmaceuticals, et al*., No. 2003-49357. The court found, among other things, that plaintiffs' failure to warn claims were preempted by the regulation of prescription drug labeling by the U.S. Food and Drug Administration (FDA). Plaintiffs have appealed the grant of summary judgment, although the appeal is currently stayed pending the resolution of certain procedural issues in the trial court.

On February 15, 2007, a jury in the United States District Court for the Eastern District of Arkansas returned a verdict in favor of the Company in the case of *Rush v. Wyeth Inc.*, No. 4:05CV00497 WRW. On January 31, 2008, the United States Court of Appeals for the Eighth Circuit affirmed the judgment in favor of the Company.

On May 15, 2007, a jury in the Pennsylvania Court of Common Pleas, Philadelphia County, hearing the case of *Simon, et al. v. Wyeth Pharmaceuticals, Inc., et al.*, No. 2004-06-4229, returned a verdict in favor of the Company. Plaintiffs have not appealed the judgment in favor of the Company.

On September 24, 2007, the Pennsylvania Court of Common Pleas, Philadelphia County, entered an order in *Coleman, et al. v. Wyeth Pharmaceuticals, Inc., et al*., No. 2004-06-020384, granting the Company's motion for summary judgment on statute of limitations grounds and dismissing the case. The court found that plaintiff was on notice of a possible connection between her breast cancer and her use of hormone therapy at the time of the diagnosis of the breast cancer in 2000 and that plaintiff was under a duty to investigate as of that date. The court rejected plaintiff's argument that she was not on notice of a potential claim and that her cause of action did not begin to accrue until the termination of the WHI study in July 2002. Plaintiffs are appealing the summary judgment in favor of the Company to the Pennsylvania Superior Court. Since the *Coleman* decision, the court has recently entered summary judgment in two similar cases in which plaintiffs failed to file their complaint within two years of their breast cancer diagnosis: *Manolo v. Wyeth Pharmaceuticals, Inc., et al*., No. 004503, and *Hess v. Wyeth Pharmaceuticals, Inc., et al.,* No. 003973.

On October 10, 2007, in *Rowatt, et al. v. Wyeth, et al*., No. CV04-01699, Second District Court, Washoe County, Nevada, a case in which three plaintiffs alleged that they had developed breast cancer as a result of their use of *Prempro* and/or *Premarin*, the jury returned a verdict in favor of the plaintiffs, awarding a total of $134.5 million in compensatory damages. On October 12, 2007, the Court determined that the jury had erroneously included damages of a punitive nature in its compensatory verdict and permitted the jury to re-deliberate on the compensatory award. The jury returned a new compensatory verdict in favor of the plaintiffs that totaled approximately $35.0 million. Following a brief evidentiary/argument phase, the jury was then instructed to deliberate for a third time on October 15, 2007 on the question of punitive damages. It

did so, returning a verdict for plaintiffs totaling $99.0 million in punitive damages. On February 5, 2008, the trial court denied the Company's motions for a new trial or for judgment notwithstanding the verdict. On February 19, 2008, the trial court entered an order remitting the total compensatory verdict for the three plaintiffs to $22.8 million, and remitting the total punitive award to $35.0 million. The Company plans to file an appeal from the judgment to the Nevada Supreme Court. The Company believes that it has strong arguments for reversal or further reduction of the awards on appeal due to the significant number of legal errors made during the trial and in the charge to the jury and due to a lack of evidence to support aspects of the verdict. Nevada law requires the posting of a bond in the full amount of the verdict during the pendency of the appeal, if requested by the plaintiff and at the discretion of the court. The Company has moved to stay enforcement of the judgment, without bond, pending its appeal. The trial court has entered an interim stay but has not yet considered the motion for a stay pending the appeal.

On October 22, 2007, the Minnesota District Court, Hennepin County, granted summary judgment in favor of the Company, dismissing all of the claims in *Zandi v. Wyeth, et al.*, No. 27-CV-06-6744, which was set for trial in early 2008. The court found that plaintiff had offered no evidence that her hormone therapy use had caused her breast cancer other than the opinions of two experts whose testimony the court had excluded in a prior opinion. The prior opinion had excluded the testimony of those experts on the grounds, among others, that the experts were not qualified to opine that hormone therapy caused plaintiff's breast cancer, that the epidemiological evidence proffered by plaintiff through the experts was not sufficient to identify hormone therapy as the specific cause of breast cancer in plaintiff, and that plaintiff had not provided any evidence of a method generally accepted in the scientific community by which an expert could determine the cause of breast cancer in a particular individual. On January 17, 2008, the court denied plaintiff's motion for reconsideration of both opinions.

On February 25, 2008, a jury in the United States District Court for the Eastern District of Arkansas returned a verdict in favor of the plaintiff in *Scroggin v. Wyeth, et al.*, No. 4:04CV01169 WRW, finding the Company and co-defendant Upjohn jointly and severally liable for $2.75 million in compensatory damages. A second phase of the trial to determine whether the defendants are liable for punitive damages is scheduled to begin on March 3, 2008.

Of the 27 hormone therapy cases alleging breast cancer that have been resolved after being set for trial, 22 now have been resolved in the Company's favor (by voluntary dismissal by the plaintiffs, summary judgment, defense verdict or judgment for the Company notwithstanding the verdict), several of which are being appealed by the plaintiff. Of the remaining five cases, two such cases have been settled; one (*Daniel*) resulted in a plaintiffs' verdict that was vacated by the court and a new trial ordered (which plaintiffs have appealed); one (*Rowatt*) resulted in a plaintiffs' verdict that the Company is appealing; and one (*Scroggin*) is not yet concluded. Additional cases have been voluntarily dismissed by plaintiffs before a trial setting. Trials of additional hormone therapy cases are scheduled throughout 2008.

As the Company has not determined that it is probable that a liability has been incurred and an amount is reasonably estimable, the Company has not established any litigation accrual for its hormone therapy litigation.

Thimerosal Litigation

The Company has been served with approximately 390 lawsuits, on behalf of approximately 1,000 vaccine recipients, alleging that the cumulative effect of thimerosal, a preservative used in certain childhood vaccines formerly manufactured and distributed by the Company as well as by other vaccine manufacturers, causes severe neurological damage and/or autism in children. Twelve of these lawsuits were filed as putative nationwide or statewide class actions in various federal and state courts throughout the United States, including in Massachusetts, Florida, New Hampshire, Oregon, Washington, Pennsylvania, New York, California and Kentucky, seeking medical monitoring, a fund for research, compensation for personal injuries and/or injunctive relief. No classes have been certified to date, and all but one of the putative class actions have been dismissed, either by the court or voluntarily by plaintiffs. In the one remaining case, in Kentucky, the court dismissed all claims except plaintiffs' fraud claim, which has been stayed.

To date, the Company generally has been successful in having these cases dismissed or stayed on the ground that the minor plaintiffs have failed to file in the first instance in the United States Court of Federal Claims under the National Childhood Vaccine Injury Act (Vaccine Act). The Vaccine Act mandates that plaintiffs alleging injury from childhood vaccines first bring a claim under the Vaccine Act. At the conclusion of that proceeding, plaintiffs may bring a lawsuit in federal or state court, provided that they have satisfied certain procedural requirements.

In July 2002, the Court of Federal Claims established an Omnibus Autism Proceeding with jurisdiction over petitions in which vaccine recipients claim to suffer from autism or autism spectrum disorder as a result of receiving thimerosal-containing childhood vaccines or the measles, mumps and rubella (MMR) vaccine. There currently are approximately 4,900 petitions pending in the Omnibus Autism Proceeding. Autism General Order #1 established a two-step procedure for recovery: The first step will be an inquiry into the general causation issues involved in the cases; the second step will entail the application of the general causation conclusions to the individual cases. The Court of Federal Claims is allowing petitioners to present three different theories of general causation: (1) that MMR vaccines (which were not made by the Company) and thimerosal-containing vaccines can combine to cause autism; (2) that thimerosal-containing vaccines alone can cause autism; and (3) that MMR vaccines alone can cause autism. With respect to each theory of causation, petitioners will select three petitioners whose cases will serve as "test cases" for the individual theories. Hearings for each of the three test cases for the first theory of general causa-